

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
Karen P. Hewitt***

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NEWS RELEASE SUMMARY - March 28, 2007

United States Attorney Karen P. Hewitt announced that Fenceworks, Inc., d.b.a. Golden State Fence Company, and two corporate officers were sentenced today in federal court in San Diego by the Honorable Barry T. Moskowitz based on their convictions for hiring unauthorized workers. Judge Moskowitz sentenced Golden State to forfeit \$4,700,000, as proceeds gained from its unlawful activities and ordered the company to serve five years of probation with special conditions designed to prevent future violations. Judge Moskowitz sentenced Melvin Kay, President of Golden State, to serve a three-year term of probation, with 180 days of home confinement as a condition of probation, perform 1,040 hours of community service, and pay a fine of \$200,000. Judge Moskowitz also sentenced Michael McLaughlin, a Vice-President of Golden State, to serve a three-year term of probation, with 180 days of home confinement as a condition of probation, perform 1,040 hours of community service, and pay a fine of \$100,000.

According to Assistant U.S. Attorney Christopher Alexander, who prosecuted the case, Golden State, pled guilty on December 14, 2006, to hiring unauthorized alien workers between January 1999 and

November 2005. Specifically, Golden State pled guilty to hiring unauthorized alien workers, in violation of Title 8, United States Code, Section 1324a, a misdemeanor. At the same time, Kay and McLaughlin each pled guilty to hiring at least ten individuals, with actual knowledge that the individuals were unauthorized alien workers, in violation of Title 8, United States Code, Section 1324(a)(3)(A), a felony.

According to court documents, Golden State is a California company engaged in, among other things, the business of building fences for residential, commercial, and military projects throughout California. In July 1999, Immigration and Naturalization Service ("INS") officials inspected the Oceanside, California office. Following the inspection, INS officials provided a written notice to Golden State that at least 15 Golden State employees at its Oceanside office were unauthorized alien workers. Shortly after being notified, Golden State responded by stating it was terminating these employees.

In September 2004, Immigration and Customs Enforcement ("ICE") officials again determined that at least 49 Golden State employees at the Company's Oceanside office were unauthorized aliens. Three of these employees were among those listed in the 1999 notice as unauthorized alien workers. ICE then provided a written notice to Golden State regarding the status of these unauthorized employees. In June and September 2005, ICE agents again observed unauthorized aliens listed in the 1999 and 2004 notices working at the Oceanside office. In August 2005, ICE agents inspected Golden State's Riverside, California office. ICE agents again found that at least three of the employees working in the Riverside office were unauthorized aliens who had been listed in the 1999 notice as unauthorized alien workers.

In November 2005, ICE agents executed search warrants at the Oceanside and Riverside offices of Golden State. At that time, agents seized evidence showing the company was engaged in a pattern of hiring unauthorized alien workers. Records maintained by Golden State revealed that from September 2004 to September 2005 the company hired more than ten unauthorized alien workers that had been listed in either the 1999 or 2004 notices. Social Security records also showed that hundreds of the names and social security numbers Golden State provided for its employees did not match the Social Security Administration's records. During the execution of the search warrants, ICE agents arrested 16 employees who were unauthorized alien

workers. When interviewed, many of Golden State's former employees stated: they were unauthorized alien workers; Golden State's managers knew they were unauthorized workers; and Golden State hired them despite their illegal status.

United States Attorney Hewitt said, “Meaningful employer sanctions, such as those imposed against Golden State and its principals, are an important component of criminal enforcement of illegal immigration across our border with Mexico.”

“Companies that willfully flout our nation's hiring laws will pay the price for their illegal actions, in this case \$4.7 million of the corporation's assets are being forfeited to the government,” said Michael Carney, Acting Special Agent in Charge of the ICE Office of Investigations in San Diego. “Knowingly hiring illegal aliens not only harms law-abiding businesses, it also exposes those companies that break the law to prosecution and financial penalties.”

DEFENDANTS

Fenceworks, Inc., d.b.a. Golden State Fence Company	Case No. 06cr2604
Michael McLaughlin	Case No. 06cr2605
Melvin Kay	Case No. 06cr2606

SUMMARY OF CHARGES

Hiring Unauthorized Workers, Title 8, United States Code, Section 1324a.

Hiring Ten or More Unauthorized Workers Within 12 Months, Title 8, United States Code, Section 1324(a)(3)(A).

AGENCIES

Department of Homeland Security, Immigration and Customs Enforcement, San Diego and Riverside Sectors
Department of Homeland Security, United States Border Patrol, San Diego Sector
Social Security Administration, Office of Inspector General
Naval Criminal Investigative Service